

(Draft - Awaiting Formal Approval)
MINUTES OF THE
PUBLIC EDUCATION APPROPRIATIONS SUBCOMMITTEE MEETING
Room 210, Senate Building
December 11, 2012

Members Present: Sen. Howard A. Stephenson, Co-Chair
Rep. Merlynn T. Newbold, Co-Chair
Sen. Stuart Adams
Sen. Lyle W. Hillyard
Sen. Aaron Osmond
Sen. Daniel Thatcher
Rep. Joel K. Briscoe
Rep. LaVar Christensen
Rep. Tim M. Cosgrove
Rep. Francis Gibson
Rep. Stephen G. Handy
Rep. Gregory H. Hughes
Rep. Ken Ivory
Rep. Carol Spackman Moss
Rep. Jim Nielson
Rep. Marie H. Poulson

Members Excused: Sen. Karen Morgan
Rep. Steve Eliason

Members Absent: Rep. Ken Sumsion, House Vice Chair
Sen. Mark B. Madsen

Future Members: Sen. Patricia W. Jones
Rep. Kraig Powell

Staff Present: Mr. Ben Leishman, Legislative Fiscal Analyst
Mr. Thomas Young, Legislative Fiscal Analyst
Ms. Wendy Hill, Secretary

Note: A copy of related materials and an audio recording of the meeting can be found at www.le.utah.gov.

Co-Chair Howard A. Stephenson called the meeting to order at 9:15 am.

1. Intent Language from Senate Bill 2 (2012 General Session)

a. Intent Language

Mr. Thomas Young, Fiscal Analyst, introduced three items from 2011 In-Depth Budget Review, the Early Retirement Incentive, Outcome Based Performance Measures and Return on Investment (ROI) Analyses.

b. Early Retirement Incentive

Mr. Bruce Williams, Associate Superintendent, Utah State Office of Education (USOE) reported

that the Utah State Board of Education (USBE) voted on September 7, 2012 to close the early retirement incentive plan. The committee discussed various retirement plans that were offered by the state and when they were closed. Mr. Young said the USOE paid \$150,000 to \$200,000 last year in early retirement benefits. Dr. Martell Menlove, Deputy State Superintendent, USOE said he did not know if all districts have closed their early retirement benefits. Sen. Adams expressed concern about the status of the fund. Mr. Young said a new analysis will be done for FY 2012.

c. Outcome Based Performance Measures

Mr. Bruce Williams, Associate Superintendent, USOE, reported that Dr. Larry Shumway, Superintendent, USOE, asked all USOE employees to make three job specific goals, outcomes to be reviewed during performance evaluations.

d. Return On Investment (ROI) Analyses

Associate Superintendent Williams said each program in the USOE underwent a cost benefit analysis and was reviewed by the USBE finance committee. The lengthy evaluation will be available in a PDF format and will be distributed to all committee members and posted online. The costs of the programs were analyzed using five criteria: 1) increased revenue coming in; 2) program cost savings; 3) system cost savings by performing services at a central location; 4) program cost avoidance; and 5) system cost avoidance. The USOE believes they have cost effective programs based on their analysis. Dr. Menlove, said the USOE provides needed services for education in Utah, but some services are hard to quantify. He said effective programs should be identified and money should be targeted towards them.

e. Minimum School Program – Progress Report on Performance Measure Development

Associate Superintendent Williams said he is currently working with Mr. Ben Leishman, Fiscal Analyst, and will report the findings to the committee during the upcoming General Session. Mr. Williams responded to Rep. Christensen's request for an overview of the audit. Mr. Williams replied the USOE has three auditors that assist school districts. Each school district has an annual audit conducted by independent external auditors. The public can use the USOE hotline if they have concerns. Every local education agency (LEA) is required to have their budget online and the state's transparency website provides information about expenditures. Co-Chair Newbold asked if information about funds raised from outside sources were available for public knowledge. Mr. Williams said the funds were lumped together and a breakdown is not shown, but by talking to a specific school, the information should be available. Sen. Hillyard and Rep. Briscoe commented on the auditing process. Dr. Menlove said the USOE is available to assist the LEA. Co-Chair Stephenson said the reports are available to the public and funds are handled appropriately.

f. Career & Technical Education

Dr. Brenda Hales, Deputy Superintendent of Public Instruction, USOE, updated the committee on efforts to develop a new distribution formula. The cost of Career and Technical Education (CTE) around the state varies according to location. The needs of high demand, high skill positions also vary by region. High growth jobs may not accurately portray the numbers of jobs needed by the work force of the state.

In a study, researchers at Georgetown University indicated the best way to prepare for high demand and high wage jobs is to offer a high quality general education. Dr. Hales said there is a need to

make funding more equitable and evaluate courses each LEA offers, update CTE courses, and provide courses to students based on the needs in their region. Sen. Osmond commented on the value of CTE and requested data of the impact CTE has on academic results. Co-Chair Stephenson said students that take CTE have higher rates of graduation. Dr. Hales said CTE classes need to change more quickly with the demands of the work force. Ms. Mary Shumway, State Director, Career & Technical Education, said a new course can open within a month. Co-Chair Stephenson said links to the Georgetown studies will be available on the website and to the committee. Rep. Newbold complimented Dr. Hales and the USOE.

2. Proposed Initiatives & Legislation for the 2013 General Session

a. New Education Technologies

i. Mr. Matthew Peterson, Co-founder, Mind Research Institute, demonstrated interactive software, ST Math. This program helps students learn math with the use of feedback, visualization and intrinsic motivation.

ii. Mr. Darren Duerksen, Unified Communications Specialist, Cisco and Mr. Michael McAlister (Remote Participant), Cisco, presented WEBEX. He said the internet revolution is just beginning. WEBEX is cloud based collaboration tool that may be applied in K-12 education.

Rep. Christensen introduced the fifth graders from Sandy's Silver Mesa Elementary School.

b. Student-Based Budgeting

Ms. Lisa Snell, Reason Foundation, talked about Student-Based Budgeting which provides that a portion of funding follows the student to the school they attend. This provides more equitable funding, allows more open enrollment and gives the principal autonomy. Committee members commented on the presentation.

3. Lunch Break

Lunch was provided by high school students participating in the Utah Restaurant Association's ProStart program. Ms. Melva Sine, CEO, Utah Restaurant Association, introduced the ProStart program and students from Ogden High School and Park City High School. Presenters from the morning meeting answered subcommittee members' questions.

4. Meeting Resumes

Co-Chair Newbold reconvened the meeting at 1:50 pm.

5. Proposed Initiatives & Legislation for the 2013 General Session (Continued)

a. Science Outreach

Mr. Leishman explained the Science Outreach program for public schools to the committee. The Informal Science Education Enhancement (iSEE) program gives students opportunities to learn science by experiencing field trips and in class. iSEE includes programs for teacher development

and Integrated Student and New Facility Learning. This program provides funding of \$25,000 to each The Natural History Museum of Utah and the Leonardo.

b. iSEE Expansion – Thanksgiving Point “Tulips Journey North”

Mr. Mike Washburn, CEO, Thanksgiving Point and Mr. Blake Wigdahl, Vice President, Design and Programming, asked for funding for the Thanksgiving Point “Tulips Journey North” program. Sen. Stephenson commented on the excellent core curriculum enhancements in the state. Newly elected, Rep. Mike Kennedy asked about details of the program.

6. Implementation Reports on Recent Initiative Programs

a. Online Adaptive Testing (HB 15 – 2012 GS)

Ms. Judy Park, Associate Superintendent, USOE reported on adaptive assessment with use of a power point presentation. She gave a history of adaptive testing in the state. Northwest Evaluation Association (NWEA), was used for the pilot program and it was successful. (NWEA) produced high quality reports that were valued by educators, students and parents. The pilot program proved formative testing was valuable. The contract for adaptive testing was awarded to American Institutes for Research (AIR), a nonprofit organization in Washington D.C. Co-Chair Stephenson and Rep. Christensen asked questions about the organizations. Rep. Christensen asked for a copy of the \$6.7 million, year round contract. Rep. Moss commented on the advantage of good test questions. Ms. Park said the federally approved company, AIR, will be working with Utah to develop tests. Sen. Osmond asked if schools have enough hardware. Dr. Menlove said there will be a request for additional funding for infrastructure.

Ms. Park stated that the transition to this system will occur on a state wide basis. USOE has withdrawn from Smarter Balanced Assessment Consortium (SBAC) to demonstrate their neutrality in choosing a company for adaptive testing. The new assessment system will be unique to Utah and will not be able to give comparisons to the national norm.

Mr. Myron Mickelson, Superintendent, Sevier School District, Mr. Steve Crandall, Executive Director, Summit Academy, Mr. Jerre Holmes, Superintendent, North Summit School District, Mr. David Brotherson, Superintendent, Duchesne School District came to the table. Superintendent Myron Mickelson spoke about NWEA and the importance of using the same assessment throughout the year. NWEA provides information that correlates with national percentile ranking. He spoke for NWEA and its benefits and asked the USOE to take another look at NWEA before deciding to contract with AIR. Co-Chair Stephenson said NWEA is currently testing 10 million students in the United States. Ms. Parks said AIR is involved in at least twenty states assessment systems, an assessment system that is aligned with Utah core is needed and tests with more than multiple choice questions. Superintendent Holmes spoke for NWEA.

Mr. Oak Norton expressed concerns about AIR and their political agenda. Mr. Crandall, spoke in favor of NWEA, Summit Academy High School was part of the pilot and said comparison to a national norm was important as well as feedback provided by the NWEA assessments. Mr. Leishman agreed to email a hard copy of a NWEA correlation study provided by Superintendent Mickelson to the committee.

Superintendent Brotherson introduced Ms. Shauna Ross, Teacher, Roosevelt Jr. High School, and Ms. Michiel Bostick, Teacher, Roosevelt Jr. High School. Ms. Ross and Ms. Bostick spoke in favor of NWEA. Results from the assessments provide information for teaching strategies, and offers feedback within 24 hours. Student scores improved with the use of NWEA. Mr. Dean Wilson, Principal, Duchesne County School District, spoke for NWEA. Sen. Stephenson expressed concern over the choice the USOE has made. Co-Chair Newbold voiced concern about the disparity between USOE and the users of the pilot program. Rep. Moss asked if AIR can provide the same benefits as NWEA. Ms. Park said the tool helped the teachers be successful. The pilot worked. Adaptive testing needs to be state wide. AIR will be similar to the pilot but it will be aligned to the new standards. It will not have national norm comparison because the assessments will be unique to Utah.

b. Dual Immersion

Dr. Menlove said the Dual Immersion Program is very successful. A handout, “Wireless Generation Contract Cost and Usage Report” was distributed.

c. K-3 Reading Improvement (HB 302 – 2011 GS)

Dr. Menlove said the reading program needs more research. Early intervention funding needs to address what program works best.

d. Math Materials Improvement Grant

Dr. Menlove said the Grant is currently under protest and he didn’t want to make further comments. Rep. Cosgrove complimented Co-Chair Stephenson on the Dual Immersion program. Sen. Stephenson complimented the USOE for implementing the program. Rep. Christensen complimented Co-Chair Newbold for her work with the committee.

7. Overview of FY 2014 Budget Preparations

a. Student Enrollment Growth and WPU Conversion Process

Mr. Leishman explained the steps that were taken concerning the \$25 million accounting error found in the spring of 2012. System data and consensus data are used by USOE to determine Weighted Pupil Units (WPU). The Fiscal Analyst determined a second estimation was needed. The second estimation was completed by the Fiscal Analyst’s office. The numbers produced by the analyst were very similar to those produced by USOE and any differences were resolved. Distribution models have been developed so if a variable changes the impact can be easily tracked.

Mr. Leishman presented the brief “Minimum School Program Enrollment Growth Cost Estimates” Mr. Leishman estimated that there will be a 2 percent to 2.5 percent growth in student enrollment for the next five to six years. Costs for FY 2014 are estimates at approximately \$75 million plus and another \$30 million to fund a statutory rate change in the Voted and Board Local Levy programs.

Dr. Menlove, expressed appreciation to the fiscal analysts.

Ms. Gayle Ruzicka, President, Utah Eagle Forum, commented about S.B. 15 and Computer Adaptive Testing and subjective questions. She expressed concern over AIR and wanted a parental review of the questions used in assessments.

8. Budget Priorities – State Board of Education

Ms. Debra G. Roberts, Chair, State Board of Education, said the USOE has fortified and updated the English, Language Arts and Math standards. Educators have changed their instruction plans. With a new assessment system teachers are struggling to keep up with the changes. Funding is needed for training.

Dr. Menlove spoke of budget priorities of the USBE, funding for growth and the onetime \$25 million error. An increase in the WPU by two percent is partly needed because of the increase cost for the retirement system.

Additional funding priorities include: Utah School for the Deaf and Blind, College and Career Ready Assessment Initiative, Early Intervention Initiatives and an assessment of the K-3 reading program, Teacher Evaluation Implementation, Professional Development (PD), programs for students at risk, new fiscal management software and data security, increased funding for students with severe disabilities, a 1 to 1 Device Initiative, increase for growth in Dual Language program. One-time money for infrastructure needed for adaptive testing, funding to help incoming high school students choose courses, High Quality Instruction, teacher supplies, Beverly Taylor Sorenson Arts, possible decrease in federal funds, social study initiative, transportation, assistance for small schools. Rep. Christensen commented on the need of frugality. Deputy Dr. Menlove explained the funding request for PD. He thanked Co-Chair Newbold for her service.

9. Adjourn

MOTION: Rep Handy moved to adjourn. The motion passed unanimously.

Co-Chair Newbold adjourned the meeting at 4:31 pm.

Minutes were reported by Ms. Wendy Hill, Senate Secretary